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## TESTIMONY IN SUPPORT OF RAISED BILL NO. 5453

### *An Act Concerning Employers and Home Care Workers*

**Good morning Representative Tercyak, Senator Holder-Winfield and the other distinguished members of the Labor Committee.**

My name is Julianne Roth. I am the proud owner of Companions for Living, a home care agency that provides a level of independence regardless of a person's limitations. We empower a person to live as independently as they choose by honoring and maintaining their quality of life.

When I launched my company almost 10 years ago, my mission was, and remains, to help seniors and create jobs in Connecticut. I have the good fortune to say that I have done both. My company services many seniors throughout the state and currently employs over 100 people. Last year I was honored to serve the State of Connecticut as a member of the Aging in Place task force.

I'm here today to support Raised Bill 5453, *An Act Concerning Employers and Home Care Workers*. The intent of this important bill is to help seniors remain independent in their own homes, versus being forced to move into a nursing home.

Home care, and particularly live-in home care, is an essential service provided by over 300 companies like mine in Connecticut. Home care allows individuals to remain in their own home, by providing an extra pair of hands to assist with daily living. Services are offered to clients with needs ranging from Companionship to Hospice care, and everything in between. Without these services many, if not all of these individuals would be forced to move to a nursing home.

A minimum wage and overtime "Companionship Exemption" to the Fair Labor Standards Act has been in place since 1974. Last year President Obama signed an Executive Order to remove the exemption. This change is scheduled to take effect on January 1, 2015, and will increase the cost of home care.

The increased cost of home care resulting from the elimination of the companionship exemption is exacerbated in Connecticut because Section 31-76b of the current statutes comes into play. The federal law allows for sleep and meal time breaks to be allowed as non-paid time. However, this CT statute requires that meal and break times must be considered as paid time if the worker must remain on the work premises. This statute poses an impossible scenario in the home care industry for employees who "live-in" with their clients. In effect, employees would be paid for sleeping during their time off because they must be present in the case that they are required to assist their client overnight. Raised Bill 5453 excludes up to 8 hours that a live-in employee is sleeping, as long as the employee gets a minimum 5 hours uninterrupted sleep. Any interrupted time is considered as paid time.

It is important to consider that while a live-in employee is working, they LIVE with their client, receiving free room and board. It is also important to note that meal times and down time are considered as paid time under Raised Bill 5453.

My agency has tried to keep prices as low as possible for seniors, most of who are on a fixed income. In fact, even with increased labor costs I have not raised the rates of my company's services in the eight and a half years we have been in business. We are being forced to raise our rates due to the overtime we are required to pay. Including sleep time means increasing the number of overtime hours by an additional 56 hours per week. The average annual cost in Connecticut for live-in services today is \$73,000. With the elimination of the federal exemption, the average industry cost for live-in services will rise to \$146,000 (double). If Connecticut's law defining "hours worked" to include sleep time remains unchanged, then the cost in our state will triple to \$225,000. As you might imagine, this is a cost-prohibitive scenario for most individuals who require home care.

As a comparison, the annual average cost of a Nursing Home is \$144,000. Home care offers one-on-one care, in a setting that most people prefer. A two-fold increase in cost is a hard enough pill to swallow. If the rates are to increase three-fold, seniors will exhaust their life savings much more quickly, and be forced onto Title XIX and into a nursing home.

We must also consider the consequences to the State of Connecticut's Homecare Program for Elders (a program that is funded by CT tax dollars to pay the home care costs of those who cannot afford it). The current reimbursement rate for live-in companion care is \$180 per day. At a minimum wage of \$9 per hour, the employees will receive a wage of approximately \$200 per day. If sleep time is considered paid time, that rate now becomes \$300 per day. These wages do not include taxes, insurance, or overhead that increases the cost even more. Even if the program were to receive a rate increase, I fear that there isn't enough room in the budget to increase the rates enough to include those additional 56 hours of overtime. There is no way to make that math work. What will happen to all of the seniors who require those services in order to be safe in their homes?

I implore you to pass Raised Bill 5453, for the sake of our seniors and our taxpayers. Eliminate sleep time as paid time for home care workers. I thank you for your time and consideration.